

Opening Statement of Rep. Joseph R. Pitts
Subcommittee on Health
Hearing on “Expanding Health Care Options: Allowing Americans to
Purchase Affordable Coverage Across State Lines”
May 25, 2011
(Remarks Prepared for Delivery)

The topic of today’s hearing is the purchase of health insurance across state lines.

Across state line purchasing of health insurance allows health plans to be portable – to move with an individual from job to job and state to state – and gives Americans a wider range of plans, from which to choose the one that suits them and their families best.

Every state has health insurance mandates, from Idaho with the fewest – 13 mandates – to Rhode Island, topping the list with 69 separate mandates.

My home state of Pennsylvania has 57.

Altogether, the Council for Affordable Health Insurance has identified a total of 2,156 mandates across the 50 states and the District of Columbia in 2010. These range from benefit mandates, to provider mandates, to groups of people who must be covered.

Each mandate makes the policies sold in that state more comprehensive; however, each mandate also increases the cost of those policies.

Most mandates increase the cost of policies by less than 1%, which doesn’t sound like much. But, when a state has 30, 40, or 50 mandates – and some mandates can add 5% or even 10% more to a policy – you are quickly pricing many people out of the market completely.

By some estimates, an average of 30 to 40 mandates can increase the total cost of a policy between 20% and 45%.

States have begun to realize that, while well-intentioned, mandating important health benefits and provider coverage for their citizens has backfired.

At least 12 states now allow “mandate-free” or “mandate-lite” policies, so that people can buy a plan that is more suited to their needs, with fewer costly mandates.

Additionally, nearly 30 states now require a cost estimate of a potential mandate before it can be enacted.

This should be about consumer choice, not a one-size-fits-all state mandate package that may or may not address a particular individual’s needs. This is about empowering people to make decisions for themselves, not assuming they need the government to protect them for themselves.

If a Pennsylvania policy contained mandated benefits that I determined I did not need or want, why shouldn’t I be able to buy a policy from New Jersey or New Mexico? Why shouldn’t I be able to shop among different states and buy the policy that is at the best price for me and is the best tailored to my health needs and my situation? Furthermore, why shouldn’t I expect that when states and plans have to compete for my business – and not take it for granted – that costs will go down and quality will go up?